

PLACER COUNTY ECONOMIC FORECAST

The Placer County economy is creating jobs at a rapid rate. In 2017 it gained 3,800 jobs, representing an increase of 2.4 percent. By comparison, growth was observed at 2.0 percent across California. The unemployment rate is now very low in Placer County, reaching 3.9 percent in 2017. This indicates that the county has reached a “full employment” scenario, meaning that almost everyone who wants a job already has a job. Under these conditions, job growth typically slows, and further improvements in the unemployment rate become minimal.

Two of the leading sectors in 2017 were leisure services and healthcare. The leisure sector generated 800 new jobs, primarily in restaurants, while the healthcare industry created 1,200 jobs.

Another leading sector was construction, which generated 900 new jobs. Construction activity is increasing sharply, with almost 2,600 new homes breaking ground last year. Virtually all of these homes were single-family units. Because Placer County has large amounts of buildable land, housing production has tended to spread out into single-family communities, rather than be forced up into multifamily skyscrapers.

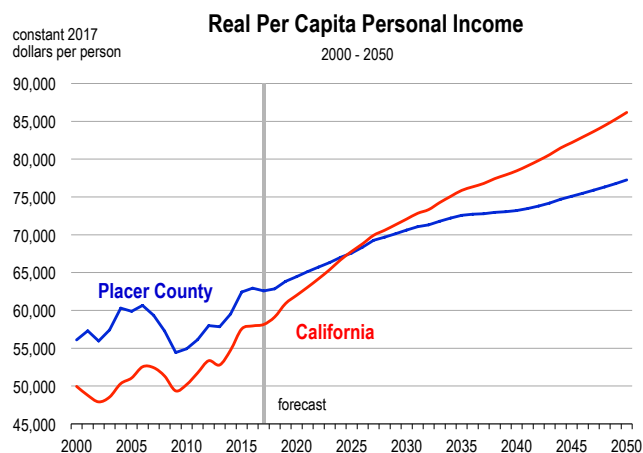
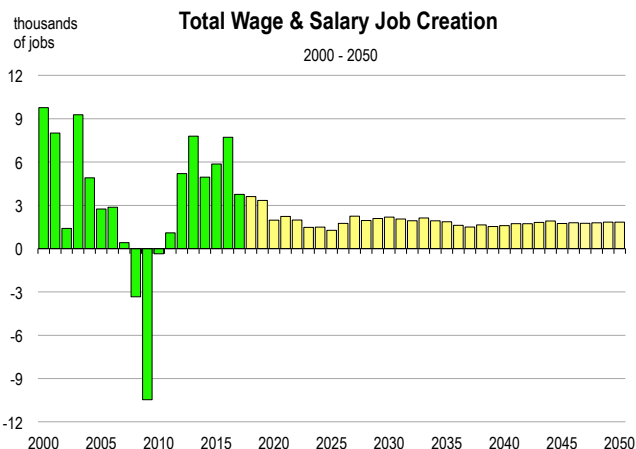
Construction of non-residential structures has also been healthy. In 2017, more than \$100 million was invested into new retail and logistics facilities, and \$90 million was spent on renovating existing office, medical, and other types of structures.

The potential for future housing development is high in Placer County. Some of the largest projects in California are located near Roseville. These projects are expected to contain 17,000 new homes and 4 million square feet of commercial space, ultimately supporting 45,000 new residents and 9,000 permanent jobs. Construction could begin soon, and is expected to last several decades.

Placer County has one of the fastest growing populations in California. Over the last five years, population growth has averaged 1.2 percent annually. Net migration has been the primary source of this growth, with new residents moving to the county for its affordable homes and proximity to the Sacramento job market. Along Coastal California, households often spend more than 35 percent of their income on mortgage payments and rent, but in Placer County this figure is typically less than 25 percent.

FORECAST HIGHLIGHTS

- Total employment is expected to increase by 2.2 percent in 2018. From 2018 to 2023, the growth rate is projected to average 1.3 percent per year.
- Over the 2018-2023 period, employment growth will be greatest in professional and business services, leisure and hospitality, and education and healthcare. Together, these sectors will account for 71 percent of net job creation in the county.

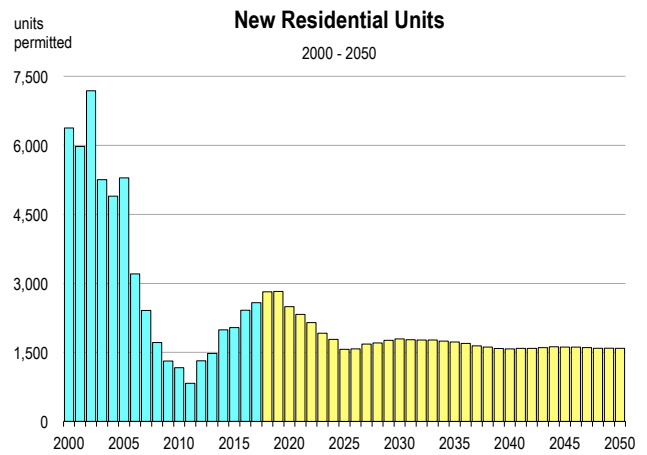
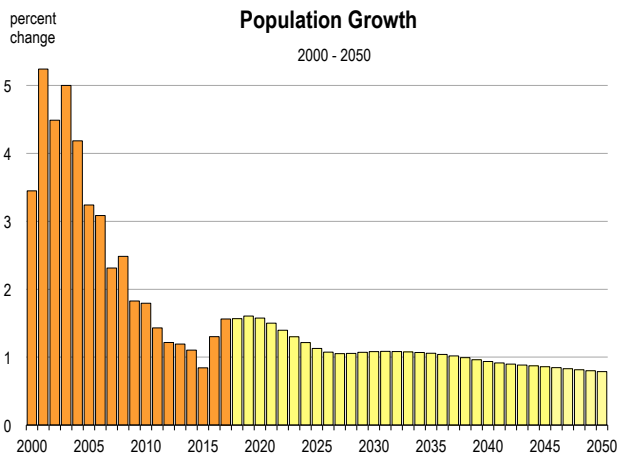


- Long-term development activity in Placer County is expected to be strong. But we are near the peak of the current building cycle, and housing production may decline over the short-term. Due to this slowdown in activity, job losses in the construction sector could occur between 2018 and 2023.
- Average salaries are currently below the California state average, and will remain so throughout the forecast period. In Placer County, inflation-adjusted salaries are expected to rise by an average of 1.6 percent per year between 2018 and 2023.
- Over the 2018-2023 period, population growth is expected to average 1.5 percent per year, and Placer County will continue to be one of the fastest growing counties in California.
- Because Placer County has a relatively old population base, its birthrate is very low. Between 2018 and 2023, the natural increase (new births) is expected to add only 600 new residents to the population each year. But net migration is expected to be high, adding 5,300 new residents to the population each year.

Placer County Economic Forecast

2010-2017 History, 2018-2050 Forecast

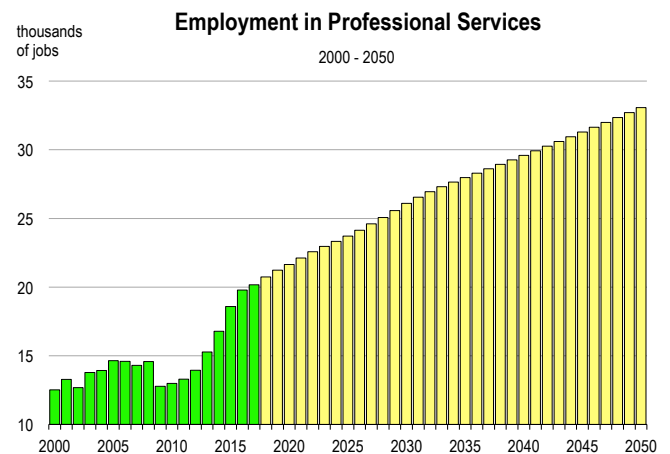
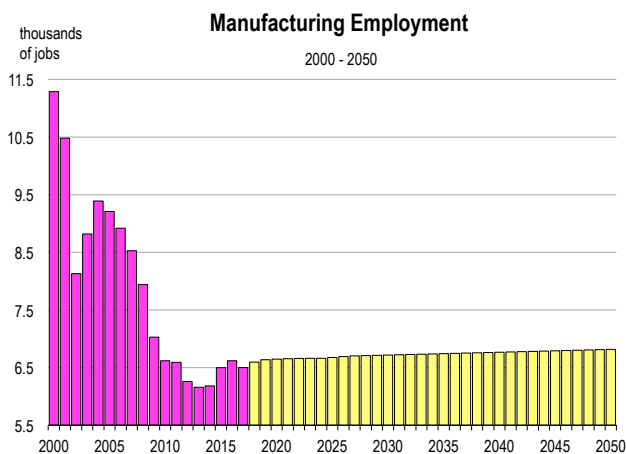
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	350,255	4,832	376	132.7	1,169	\$6.02	\$16.6	\$54,925	1.3	70.7	1.8	11.6
2011	355,260	3,924	379	133.6	829	\$6.57	\$17.7	\$56,128	2.7	70.1	1.7	10.8
2012	359,578	3,393	380	134.3	1,320	\$7.07	\$18.9	\$57,983	2.7	77.0	1.7	9.4
2013	363,863	3,429	395	135.5	1,476	\$7.72	\$19.3	\$57,856	2.3	79.9	1.7	7.7
2014	367,878	3,208	401	136.7	1,991	\$8.20	\$20.5	\$59,535	2.8	79.3	1.8	6.2
2015	370,973	2,410	411	138.1	2,038	\$8.68	\$22.0	\$62,444	2.6	61.5	2.0	5.1
2016	375,805	4,209	421	140.1	2,418	\$8.92	\$23.0	\$62,932	3.1	62.8	2.1	4.5
2017	381,675	5,265	428	142.5	2,581	\$9.37	\$23.9	\$62,587	3.2	62.8	2.1	3.9
2018	387,655	5,496	434	144.1	2,817	\$9.67	\$25.1	\$62,839	3.7	63.0	2.2	3.5
2019	393,878	5,716	439	146.6	2,825	\$10.11	\$26.5	\$63,847	3.1	63.2	2.2	3.3
2020	400,083	5,672	443	149.2	2,495	\$10.83	\$28.1	\$64,462	4.1	63.4	2.2	3.5
2021	406,086	5,444	447	151.4	2,327	\$11.43	\$29.6	\$65,126	3.6	63.6	2.3	3.6
2022	411,756	5,084	450	153.5	2,148	\$12.06	\$31.1	\$65,732	3.5	63.7	2.3	3.7
2023	417,110	4,741	454	155.5	1,918	\$12.76	\$32.7	\$66,342	3.4	63.8	2.4	4.0
2024	422,177	4,433	457	157.2	1,784	\$13.40	\$34.2	\$67,024	3.3	63.9	2.5	4.1
2025	426,941	4,105	460	158.8	1,568	\$14.07	\$35.7	\$67,591	3.1	64.0	2.5	4.2
2026	431,526	3,907	463	160.2	1,577	\$14.79	\$37.4	\$68,358	3.1	64.0	2.6	4.2
2027	436,064	3,841	467	161.6	1,682	\$15.59	\$39.1	\$69,282	3.0	64.1	2.6	4.2
2028	440,666	3,886	471	163.1	1,706	\$16.30	\$40.7	\$69,698	3.3	64.1	2.7	4.2
2029	445,387	3,984	475	164.7	1,763	\$17.01	\$42.4	\$70,154	3.1	64.2	2.8	4.2
2030	450,205	4,055	479	166.3	1,794	\$17.84	\$44.1	\$70,617	3.0	64.2	2.8	4.2
2031	455,091	4,096	484	167.9	1,776	\$18.83	\$45.8	\$71,059	2.9	64.2	2.9	4.2
2032	460,018	4,102	488	169.5	1,770	\$19.88	\$47.5	\$71,324	3.1	64.2	3.0	4.2
2033	464,974	4,098	493	171.1	1,770	\$20.99	\$49.3	\$71,803	2.7	64.2	3.0	4.2
2034	469,943	4,077	497	172.7	1,746	\$22.08	\$51.1	\$72,203	2.9	64.3	3.1	4.2
2035	474,913	4,052	501	174.3	1,727	\$23.14	\$53.1	\$72,574	3.0	64.3	3.2	4.2
2036	479,853	4,006	506	175.8	1,696	\$24.12	\$55.1	\$72,710	3.4	64.3	3.2	4.2
2037	484,739	3,947	512	177.3	1,643	\$25.07	\$57.2	\$72,765	3.5	64.3	3.3	4.2
2038	489,551	3,890	518	178.8	1,617	\$26.03	\$59.4	\$72,951	3.3	64.3	3.4	4.2
2039	494,260	3,826	524	180.3	1,585	\$26.95	\$61.7	\$73,053	3.5	64.3	3.5	4.2
2040	498,887	3,787	530	181.7	1,577	\$27.87	\$64.0	\$73,206	3.4	64.3	3.5	4.2
2041	503,452	3,771	537	183.1	1,588	\$28.81	\$66.4	\$73,478	3.2	64.3	3.6	4.2
2042	507,972	3,770	543	184.6	1,588	\$29.76	\$68.8	\$73,803	3.1	64.3	3.7	4.2
2043	512,461	3,785	550	186.0	1,604	\$30.71	\$71.3	\$74,193	3.0	64.3	3.8	4.2
2044	516,933	3,806	556	187.4	1,623	\$31.70	\$73.9	\$74,698	2.8	64.3	3.9	4.2
2045	521,374	3,818	562	188.9	1,616	\$32.65	\$76.6	\$75,076	3.0	64.3	4.0	4.2
2046	525,783	3,826	569	190.4	1,616	\$33.63	\$79.3	\$75,488	2.9	64.3	4.1	4.2
2047	530,146	3,818	575	191.8	1,605	\$34.65	\$82.0	\$75,887	2.9	64.3	4.2	4.2
2048	534,465	3,806	582	193.3	1,590	\$35.70	\$84.9	\$76,306	2.9	64.3	4.3	4.2
2049	538,741	3,794	589	194.7	1,592	\$36.77	\$87.9	\$76,760	2.9	64.3	4.4	4.2
2050	542,982	3,785	596	196.1	1,589	\$37.88	\$91.0	\$77,245	2.9	64.3	4.5	4.2

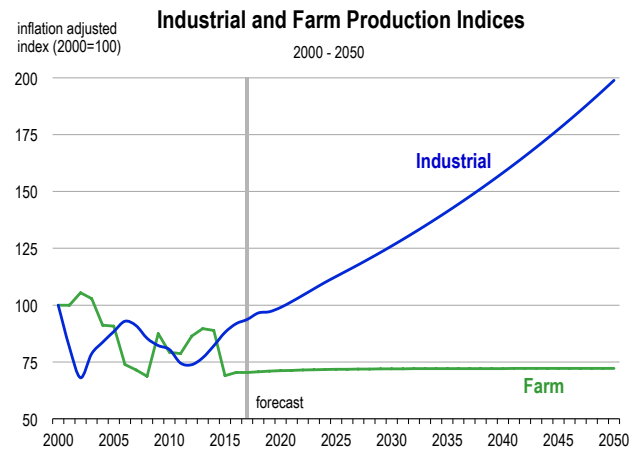
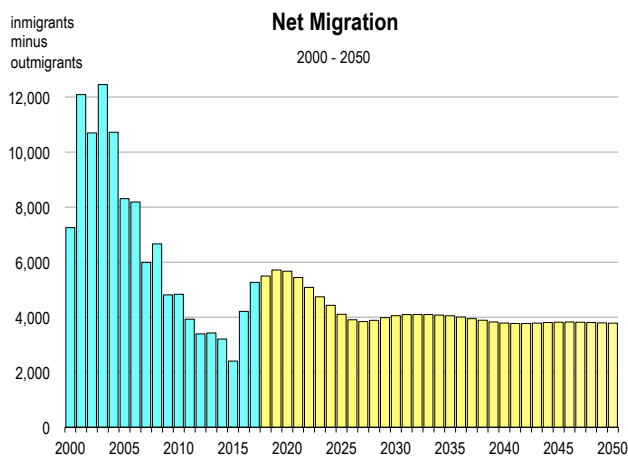
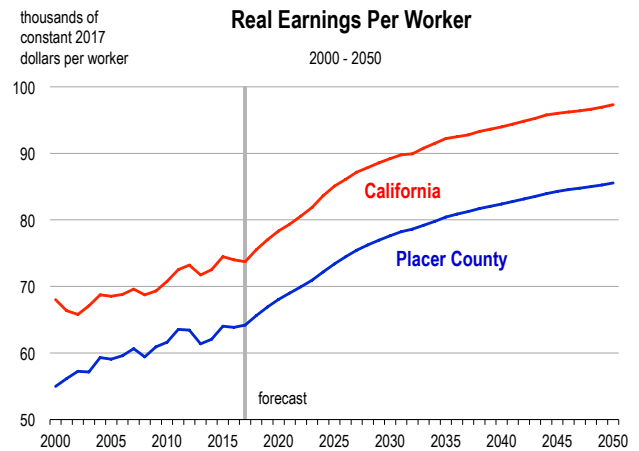
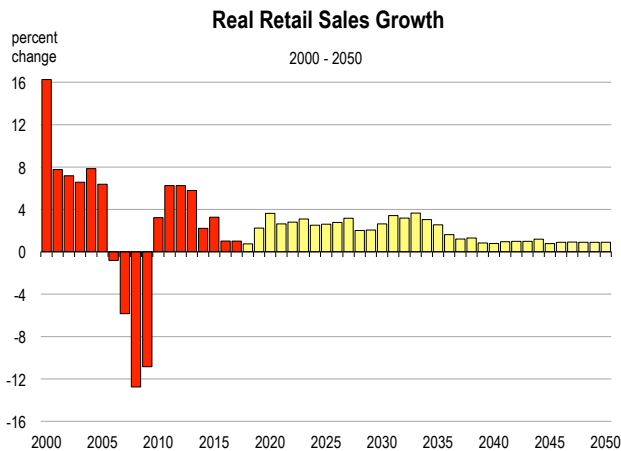


Placer County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2010	127.4	0.34	8.4	6.6	3.0	23.0	9.7	13.0	2.5	19.3	18.1	19.0
2011	128.5	0.35	8.1	6.6	2.8	23.5	9.7	13.3	2.3	20.4	18.5	18.2
2012	133.7	0.33	8.6	6.3	2.9	24.7	10.3	13.9	2.3	21.6	19.0	18.7
2013	141.5	0.42	9.8	6.2	3.1	25.5	11.2	15.3	2.2	23.0	20.2	19.0
2014	146.4	0.33	10.5	6.2	3.2	26.4	11.3	16.8	2.2	24.1	20.3	19.2
2015	152.3	0.30	12.2	6.5	3.4	26.4	11.5	18.6	2.6	24.7	20.5	19.7
2016	160.0	0.29	13.9	6.6	3.7	26.6	12.2	19.8	2.5	26.2	22.1	20.2
2017	163.8	0.28	14.8	6.5	3.8	27.0	12.3	20.2	2.3	27.4	22.9	20.4
2018	167.4	0.27	15.3	6.6	3.9	27.2	12.2	20.7	2.4	28.4	23.6	20.6
2019	170.7	0.27	15.6	6.6	4.0	27.5	12.3	21.2	2.5	29.2	24.1	21.1
2020	172.7	0.26	14.9	6.6	4.0	27.9	12.4	21.6	2.5	30.0	24.5	21.5
2021	174.9	0.25	14.7	6.7	4.1	28.2	12.4	22.1	2.5	30.6	25.0	21.9
2022	176.9	0.25	14.3	6.7	4.2	28.5	12.4	22.6	2.5	31.1	25.5	22.2
2023	178.4	0.25	13.8	6.7	4.3	28.9	12.4	23.0	2.6	31.6	25.9	22.2
2024	179.9	0.24	13.6	6.7	4.3	29.2	12.4	23.3	2.6	32.1	26.3	22.3
2025	181.1	0.24	13.1	6.7	4.4	29.5	12.5	23.7	2.6	32.5	26.6	22.3
2026	182.9	0.24	13.2	6.7	4.4	29.8	12.4	24.1	2.7	32.9	26.9	22.4
2027	185.1	0.23	13.5	6.7	4.4	30.2	12.5	24.6	2.7	33.3	27.3	22.5
2028	187.1	0.23	13.6	6.7	4.5	30.5	12.6	25.1	2.7	33.8	27.6	22.6
2029	189.2	0.23	13.8	6.7	4.5	30.7	12.6	25.6	2.7	34.3	27.9	22.7
2030	191.4	0.23	13.9	6.7	4.5	31.1	12.6	26.1	2.8	34.8	28.3	22.9
2031	193.4	0.23	13.9	6.7	4.6	31.5	12.6	26.5	2.8	35.3	28.7	23.0
2032	195.3	0.23	14.0	6.7	4.6	31.8	12.6	26.9	2.8	35.9	29.1	23.1
2033	197.5	0.23	14.0	6.7	4.6	32.3	12.6	27.3	2.8	36.5	29.5	23.3
2034	199.4	0.22	14.0	6.7	4.7	32.6	12.6	27.7	2.9	37.0	29.9	23.5
2035	201.3	0.22	14.0	6.7	4.7	32.9	12.7	28.0	2.9	37.6	30.3	23.7
2036	202.9	0.22	13.9	6.7	4.7	33.1	12.7	28.3	2.9	38.1	30.6	23.7
2037	204.4	0.22	13.8	6.8	4.8	33.3	12.7	28.6	2.9	38.7	31.0	23.7
2038	206.0	0.22	13.8	6.8	4.8	33.5	12.7	28.9	3.0	39.3	31.4	23.8
2039	207.5	0.22	13.7	6.8	4.8	33.6	12.8	29.3	3.0	39.9	31.8	23.9
2040	209.1	0.22	13.7	6.8	4.9	33.7	12.8	29.6	3.0	40.5	32.2	23.9
2041	210.9	0.22	13.8	6.8	4.9	33.9	12.8	29.9	3.0	41.0	32.5	24.0
2042	212.6	0.22	13.8	6.8	4.9	34.0	12.8	30.3	3.1	41.6	32.9	24.1
2043	214.4	0.22	13.9	6.8	5.0	34.2	12.9	30.6	3.1	42.2	33.3	24.3
2044	216.3	0.22	13.9	6.8	5.0	34.3	12.9	30.9	3.1	42.8	33.7	24.5
2045	218.1	0.22	13.9	6.8	5.0	34.5	12.9	31.3	3.1	43.4	34.1	24.6
2046	219.9	0.22	14.0	6.8	5.0	34.6	12.9	31.6	3.2	44.0	34.5	24.8
2047	221.6	0.22	13.9	6.8	5.1	34.7	12.9	32.0	3.2	44.6	34.9	25.0
2048	223.4	0.22	13.9	6.8	5.1	34.9	13.0	32.3	3.2	45.2	35.3	25.2
2049	225.3	0.22	13.9	6.8	5.1	35.0	13.0	32.7	3.2	45.8	35.7	25.4
2050	227.1	0.22	13.9	6.8	5.2	35.1	13.0	33.1	3.3	46.4	36.1	25.6





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	15.2%
Expected job growth:	6.6%
Fastest growing jobs sector:	Health and Education
Expected personal income growth:	13.6%

Expected population growth:	6.2%
Net migration to account for:	90.5%
Expected growth in number of vehicles:	4.6%

Demographics (2018)

Unemployment rate (April 2018):	2.9%
County rank* in California (58 counties):	11th
Working age (16-64) population:	61.4%

Population with B.A. or higher:	36.7%
Median home selling price (2017):	\$453,000
Median household income:	\$84,141

Quality of Life

Violent crime rate (2016):	156 per 100,000 persons
County rank* in California (58 counties):	1st
Average commute time to work (2018):	29 minutes

High school drop out rate (2017):	4.0%
Households at/below poverty line (2018):	6.3%

* The county ranked 1st corresponds to the lowest rate in California